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Victoria Low
RIO Electricity Distribution
Ofgem
10 South Colonnade
Canary Wharf
London E14 4PU

Dear Victoria,

Consultation on RIO-ED1 price control reopeners (May 2019)

Citizens Advice has statutory responsibilities for representing the interests of energy consumers in Great Britain. This response is completely non-confidential and may be published on your website.

In June, we provided a response¹ to the informal round of consultations on RIO-ED1 price control reopeners. We gave specific comments on individual company submissions and outlined a number of common issues across them. In light of Ofgem's August consultations and minded-to positions, we are broadly supportive of both the assessment methodologies and outcomes of the assessments. We would expect to see substantial additional information and persuasive cases from networks for any of the minded-to positions to change.

In addition to this, we provide some comments below on three of the cost items under this consultation.

HVP Reopeners

On the HVP reopeners, we agree with Ofgem's minded-to positions on these. However, we cannot take a full view on the SSEN (SHEPD) Pentland Firth East Subsea Cable

¹ Available at:
<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-consultation-responses/informal-consultation-on-ofgems-rrio-ed1-price-control-reopeners/>.

Replacement proposals until we can review the further information that has been requested by Ofgem. This information should be both persuasive and complete.

Rail Electrification

We support Ofgem's minded-to position on SPEN's (SPMW) proposal. Regarding SSEN's (SEPD) proposal, as per our response to the informal consultation, it is still not possible to arrive at a view of whether the proposed costs are economic and efficient because not enough of this evidence is available.

Street Works Costs

We appreciate the difficulties faced by Ofgem in this assessment, including data cleansing and forming average unit costs for benchmarking. Where unit costs are above this, we would expect to see adequate evidence from networks to justify their initial submissions. The approach to improved efficiency appears reasonable, and the bullet-points raised in para 2.13 seem well-considered. We are broadly supportive of Ofgem's assessment approach and hope it will encourage the networks to improve their submission quality in future, and in turn support better benchmarking of costs.

Please contact me if you wish to discuss anything in this response in more detail.

Yours sincerely

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